

Message Text

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ORIGIN EUR-12

INFO OCT-01 EB-08 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01
TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 /088 R

DRAFTED BY EUR/EE:GTBOUTIN:LG
APPROVED BY EUR/EE:CWSCHMIDT
EB/OT/STA:MR. GOLDMAN
INFO:COMMERCE/BEWT:MS. LOTARSKI
INFO:TREASURY:LPOTTS

-----222336 004275 /67

R 222159Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: ETRD, PL

SUBJECT: DISCUSSION OF BILATERAL TRADE PROBLEMS WITH
POLISH OFFICIALS

REF: A. STATE 003125; B. STATE 029943

1. ON FEBRUARY 14, DEPARTMENT OFFICERS MET WITH OFFICIALS
FROM POLISH MFT (BRZOSKA AND STREBSKI) AND FROM POLISH
EMBASSY (SOLDACZUK AND STRUS). THE POLISH OFFICIALS MET
WITH OFFICERS FROM EUR AND EB FOR GENERAL REVIEW OF
BILATERAL TRADE PROBLEMS.

2. BRZOSKA BEGAN BY OUTLINING POLISH TRADE SITUATION,
NOTING THAT ACCORDING TO POLISH CALCULATIONS, POLAND
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HAD DEFICIT OF 621 MILLION DOLLARS IN TRADE WITH US IN
1976, WHICH WAS LARGER THAN INDIVIDUAL DEFICITS WITH
FRG, UK, AND FRANCE. HE UNDERScoreD POLAND'S DESIRE TO
CLOSE ITS TRADE DEFICIT WITHOUT REDUCING IMPORTS FROM THE
US. HE EMPHASIZED IMPORTANCE OF MARKET ACCESS AND SAID
THAT ANTIDUMPING CASE AGAINST POLISH GOLF CARTS, ITC
SHOE DECISION, TREASURY'S PROPOSED REGULATION ON CVD'S

ARE ALL SEEN AS OMINOUS SIGNS BY POLISH EXPORTERS.

3. SUBSIDIES AND CVD'S: POLAND WAS ALREADY PAYING LARGE INTERNAL SUBSIDIES ON FOOD SO THERE WAS LITTLE SCOPE TO SUBSIDIZE EXPORTS TO THE US OR ANYWHERE ELSE, EVEN IF IT WISHED TO DO SO. SCHMIDT (EUR/EE) SAID THAT REGULATION PROPOSED BY TREASURY SPECIFYING HOW CVD LAW WOULD BE APPLIED TO NONMARKET ECONOMIES (NME'S) WAS NOT AN ATTEMPT TO EXTEND THE CVD LAW TO NME'S. THE LAW HAS APPLIED TO IMPORTS FROM ALL COUNTRIES SINCE IT WAS WRITTEN IN LATE NINETEENTH CENTURY. TREASURY PROPOSAL SHOULD BE VIEWED AS EFFORT TO APPLY THE LAW EQUITABLY TO NME'S. AS IMPORTS OF MANUFACTURED GOODS FROM POLAND AND OTHER NME'S INCREASE, THE POSSIBILITY OF A CVD PETITION ALSO INCREASES. THE TREASURY PROPOSAL SEEMS TO BE THE BEST WAY TO HANDLE SUCH A PETITION, BUT WE WERE STILL OPEN TO SUGGESTIONS.

4. GOLF CARTS: SCHMIDT NOTED THAT TREASURY HAD ALMOST COMPLETED ITS REVIEW OF GOLF CART IMPORTS THROUGH THE END OF 1976 AND THAT OUR EMBASSY IN WARSAW WOULD SOON BE REQUESTED TO CONVEY RESULTS OF THAT REVIEW TO GOP. WE BELIEVED THAT TREASURY HAD DONE ALL IT COULD TO CONSIDER THE POLISH VIEWS AND THAT THERE IS NOTHING TO BE GAINED FROM FURTHER POSTPONEMENT. BRZOSKA SAID GOLF CART CASE HAD CAUSED MUCH UNCERTAINTY AMONG POLISH EXPORTERS. HE SAID HE THOUGHT THAT PROTECTIONIST SENTIMENT WAS GROWING STRONGER IN THE US. SCHMIDT RESPONDED THAT THOSE PRESSURES HAD BEEN STRONGER DURING THE HEIGHT OF THE RECESSION TWO YEARS AGO, BUT THAT THE LIMITED OFFICIAL USE

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US HAD SHOWN SUBSTANTIAL RESTRAINT BY DENYING MANY REQUESTS FOR PROTECTION.

5. ITC FOOTWEAR DECISION: GOLDMAN (EB/STA) REVIEWED PRESENT STATUS OF ESCAPE CLAUSE CASE ON NON-RUBBER FOOTWEAR. GOLDMAN PRESENTED MOST OF THE INFORMATION CONTAINED IN REFS A AND B AND ADDED THAT THE REPORT WILL BE REVIEWED BY A COMMITTEE FROM APPROPRIATE EXECUTIVE BRANCH AGENCIES, CHAIRED BY STR. THE COMMITTEE WILL PREPARE A REPORT FOR THE PRESIDENT. HE NOTED THAT ALL INTERESTED PARTIES INCLUDING THE GOP CAN SUBMIT THEIR VIEWS DIRECTLY TO STR, BUT MAY DO SO ONLY UNTIL MARCH 2. HE ADDED THAT ANY INFORMATION THE GOP WISHES TO PRESENT TO THE STATE DEPARTMENT WILL BE CIRCULATED TO ALL APPROPRIATE AGENCIES REGARDLESS OF WHEN IT IS RECEIVED. BRZOSKA NOTED THAT THE ITC DECISION WILL BE ESPECIALLY HARD ON THE POLISH EXPORTERS BECAUSE THEY WERE VIRTUALLY NEW TO MARKET IN 1974. THEIR EXPORTS IN THAT YEAR WERE ONLY 1.6 MILLION PAIRS, WHEREAS CON-

TRACTS WITH TWO MAJOR US IMPORTERS CALL FOR POLISH
EXPORTS OF 7.5 MILLION PAIRS IN 1977. SOLDACZUK ADDED

THAT THE DECISION COULD AFFECT 20 MILLION DOLLARS WORTH
OF POLISH EXPORTS.

6. SEPTELS WILL REPORT DISCUSSIONS ON TEXTILES AND CVD
REGULATION TALKS CHAIRED BY TREASURY.
VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE CONTROLS, INVESTIGATIONS, TRADE COMPLAINTS, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE039581
Document Source: CORE
Document Unique ID: 00
Drafter: GTBOUTIN:LG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770061-1238
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770220/aaaaarvu.tel
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Office: ORIGIN EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 3125, 77 STATE 29943
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3262510
Secure: OPEN
Status: NATIVE
Subject: DISCUSSION OF BILATERAL TRADE PROBLEMS WITH POLISH OFFICIALS
TAGS: ETRD, PL, US
To: WARSAW
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/16e460c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009